This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, please refer to section headed "Regulatory Overview" in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, laws of the special administrative region and international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "Legislation Law") which was promulgated on 15 March 2000 and last amended on 13 March 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, the PBOC, the State Audit Administration, organs endowed with administrative functions directly under the State Council and the organisations prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate departmental rules. The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact local government rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) issued on 10 June 1981 and came into effect on the same date, the Supreme People's Court of the PRC (the "Supreme People's Court") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

THE PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organisation of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) last amended by the SCNPC on 26 October 2018 and became effective on 1 January 2019, the PRC judicial system is made up of the Supreme People's Court, the local people's courts, and special people's courts.

The local people's courts is made up of the basic people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the basic people's courts and intermediate people's courts.. The Supreme People's Court is the highest judicial body in the PRC and supervises the judicial administration of the people's courts at all levels.

The people's procuratorates are the law supervision organs of the State. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's court at the higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "Civil Procedure Law"), last amended by the SCNPC on 1 September 2023 and becoming effective on 1 January 2024, sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by the written agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, such choice cannot be in conflict with the regulations of grade jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise and a foreign organisation that institute or respond to proceedings in a people's court are given the same litigation rights and obligations as a PRC citizen, a legal person and other organisations. Should a foreign court limit the civil litigation rights of PRC citizens, legal persons and other organisations, any people's court of the PRC shall apply the same limitations to the citizens, enterprises and organisations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and a foreign organisation must engage a PRC lawyer in case he/she or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court. In accordance with the international treaties to which the PRC is a signatory or a participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation, collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or social and public interests of the PRC.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognised and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE COMPANY LAW, THE TRIAL MEASURES FOR OVERSEAS LISTING AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company (the "joint stock company" or the "company") incorporated in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following PRC laws and regulations:

The Company Law, which was last amended by the SCNPC on 29 December 2023 and came into effect on 1 July 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures for Overseas Listing") and its five supporting guidelines, which were promulgated by the CSRC on 17 February 2023 and became effective on 31 March 2023.

According to the Trial Measures for Overseas Listing and its supporting guidelines, domestic enterprises that directly offer and list overseas shall formulate articles of association and standardise corporate governance with reference to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) which was last amended by the CSRC on 28 March 2025 and came into effect on the same date and other relevant provisions of the CSRC on corporate governance.

Set out below is a summary of the major provisions of the PRC Company Law, the Trial Measures for Overseas Listing and the Guidelines for Articles of Association of Listed Companies.

General Provisions

A joint stock company refers to a corporate legal person incorporated in the PRC under the Company Law, whose registered capital is divided into equal shares. The liability of a company is limited to the full value of all the property owned by it, and the liability of its shareholders is limited to the extent of the shares they subscribed for.

A company shall conduct its business in accordance with laws and regulations, observe social ethics and business ethics, act in good faith, and be subject to government and public oversight.

A company may invest in other enterprises. Where any law provides that a company shall not become a capital contributor who has the joint liabilities associated with the debts of the invested enterprises, such provision shall prevail.

Incorporation

A joint stock company may be established by means of promotion or subscription.

To establish a joint stock company by means of promotion, there shall be not less than 1 but not more than 200 promoters, more than half of whom shall have their domiciles within the territory of the PRC.

Where a joint stock company is established by means of promotion, the timing and voting procedures for the inaugural meeting shall be prescribed by the articles of association of the company or the promoters' agreement.

For a joint stock company established by means of subscription shall, the inaugural meeting shall be convened within 30 days after full payment has been made for the shares to be issued at the time of establishment. The promoters shall notify each subscriber of the date of the inaugural meeting or make a public announcement 15 days before the meeting is held. The inaugural meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. The inaugural meeting of a company shall exercise the following functions and powers: (i) tonne consider the report on the preparations for establishment of the company by promoters; (ii) to adopt the articles of association; (iii) to elect directors and supervisors; (iv) to review the expenses for the establishment of the company; (v) to review the valuations of the non-monetary property contributed by the promoters; (vi) where any force majeure or any major change of business conditions directly affects the establishment of the company, the resolution of not establishing the company may be made. The resolutions made at the inaugural meeting about the matters within the scope of functions and powers shall be adopted by the subscribers present at the meeting who represent more than half of the voting rights.

Within 30 days after the conclusion of the inaugural meeting, the representative authorised by the board of directors shall apply to the company registration authority for registration of the incorporation of the joint stock company

Share Capital

Promoters of the company may make capital contributions in cash, or with non-monetary assets that may be valued in money and legally transferred, such as contribution in kind or intellectual property rights, land use rights, shareholding or claims. Non-monetary assets to be used as capital contributions shall be appraised and verified and shall not be overvalued or undervalued.

Allotment and Issue of Shares

Shares shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank pari passu. Shares of the same class in the same issue shall be issued at the same price and on same conditions. The same price shall be paid for each share subscribed for by a subscriber.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Trial Measures for Overseas Listing, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information.

Increase in Share Capital

Under the Company Law, in the case of a joint stock company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value shares are issued, the proceeds from the issuance of new shares shall be included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announces the documents.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and an inventory of property; (ii) a company makes a resolution at the shareholders' meeting to reduce its registered capital; (iii) a company shall inform its creditors within ten days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital at the shareholders' meeting; (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with laws.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law or as specified in the Articles of Association of a joint stock company.

Share Buy-Back

Under the Company Law, a company shall not acquire its own shares, except for any following circumstances: (i) reducing the registered capital of the company; (ii) merging with another company holding shares of the company; (iii) using the shares for employee stock ownership plans or equity incentives; (iv) shareholders who object to resolutions on the company's merger or division passed at the shareholders' meeting, demanding that the company acquire their shares; (v) using the shares for the conversion of the corporate bonds convertible into shares issued by the company; (vi) where it is necessary for the listed company to preserve its value and shareholders' rights and interests. The acquisition of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders' meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the articles of association or the authorisation from the shareholders' meeting.

Following the acquisition of a company's shares by a company in accordance with the above provisions, such shares shall be cancelled within 10 days from the date of acquisition in the case of item (i) above; such shares shall be transferred or cancelled within six months in the case of items (ii) and (iv) above; the total numbers of share of the company held by a company shall not exceed 10% of the total issued shares of the company, and shall be transferred or cancelled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Under the Company Law, shares held by a shareholder may be transferred according to laws. A shareholder of a joint stock company shall effect a transfer of his/her shares through a legally established stock exchange or by any other means as required by the State Council. Shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and domicile of the transferee in the register of shareholders. No changes to the register of shareholders shall be effected within 20 days prior to the convening of the shareholders' meeting or five days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council provides otherwise for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of a company are listed and traded on a stock exchange. The directors, supervisors and senior management members of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares of the company they hold.

Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date on which the shares of a company are listed and traded on a stock exchange, nor within half a year after their resignation from their positions with a company.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Shareholders

Under the Company Law and the Guidance for Articles of Association of Listed Companies, the rights of holders of ordinary shares of a joint stock company include:

i. to attend or appoint a proxy to attend shareholders' meetings and to vote thereat;

ii. to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;

iii. to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholder's meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee and financial and accounting reports and to make proposals or enquires on the company's operations;

iv. to bring an action in the people's court to rescind resolutions passed by shareholder's meetings and board of directors where the articles of association is violated by the above resolutions;

v. to receive dividends and other types of profit distribution in proportion to the number of shares held;

vi. in the event of the termination or liquidation of the company, to participate in the distribution of residual properties of the company in proportion to the number of shares held; and

vii. other rights granted by laws, administrative regulations, other regulatory documents and the articles of association

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his/her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' meeting

Under the Company Law, the shareholders' meeting of a joint stock company is made up of all shareholders. The shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the supervisory committee; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the articles of association; (ix) other functions and powers specified in provision of the articles of association.

Under the Company Law, the shareholders' meetings are required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association; (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital; (iii) shareholders individually or collectively holding 10% or more of the company's shares request; (iv) when deemed necessary by the board of directors; (v) the supervisory committee proposes to convene the meeting; (vi) other circumstances as stipulated in the articles of association.

The shareholders' meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman of the board of directors is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the shareholders' meeting, the supervisory committee should convene and preside over the shareholders' meeting in a timely manner. If the supervisory committee fails to convene and preside over the shareholders' meeting, shareholders individually or collectively holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the shareholders' meeting.

If the shareholders who individually or collectively hold more than 10% of the shares of the company request to convene an extraordinary shareholders' meeting, the board of directors and the supervisory committee should, within 10 days after the receipt of such request, decide whether to hold an extraordinary shareholders' meeting and reply to the shareholders in writing.

Notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary shareholders' meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or collectively hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the shareholders' meeting. The board of directors shall notify other shareholders within 2 days after receiving the proposal, and submit the interim proposal to the shareholders' meeting for consideration.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it shall clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his/her voting rights within the scope of authorisation.

Under the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association of Listed Companies, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Board of Directors

Under the Company Law, a joint stock company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Board meetings shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors shall exercise the following functions and powers: (i) to convene shareholders' meetings and report its work to shareholders' meetings; (ii) to implement the resolutions of the shareholders' meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and his/her remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; (x) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

Board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorisation for another director to attend the meeting on his/her behalf. If a resolution of the board of directors violates laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and (v) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairman of the board of directors, who shall be elected by more than half of all the directors. The chairman of the board of directors shall exercise the following functions and powers (including but not limited to): (i) to preside over shareholders' meetings and convene and preside over the meetings of the board of directors; (ii) to examine the implementation of resolutions of the board of directors; (iii) to exercise other powers conferred by the board of directors.

Supervisory Committee

A joint-stock company may establish an audit committee composed of directors under its board of directors in accordance with its articles of association, to exercise the function and powers of the supervisory committee as stipulated in the Company Law, without the need to establish a supervisory committee.

A joint stock company with a smaller scale or fewer shareholders may not establish a supervisory committee, but shall appoint one supervisor to exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

Except under two special circumstance mentioned above, a joint stock company shall establish a supervisory committee composed of not less than three members. The supervisory committee shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representative supervisors shall not be less than one-third and the specific proportion shall be stipulated in the articles of association. Employee representatives of the supervisory committee shall be democratically elected by the company's employees at the employee representative assembly, employee shareholders' meeting or otherwise. Directors and senior management members may not act concurrently as supervisors.

The supervisory committee shall have one chairman and may have deputy chairmen. The chairman and deputy chairmen of the supervisory committee shall be elected by more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, the deputy chairman of the supervisory committee shall convene and preside over the meeting. If the deputy chairman is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over such meeting.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties in accordance with laws, administrative regulations and articles of association until a re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee shall hold at least one meeting every six months. Under the Company Law, resolutions of the supervisory committee shall be adopted with the approval of more than half of all the supervisors.

The supervisory committee shall exercise the following functions and powers: (i) examining the financial affairs of the company; (ii) supervising the acts of the directors and senior management in the performance of their duties, and proposing the removal of the directors and senior management who have violated laws, administrative regulations, the articles of association or the resolutions of the shareholders' meeting; (iii) requiring the directors and senior management to correct their acts if such acts damage the interests of the company; (iv) proposing to convene extraordinary shareholders' meetings, and convening and presiding over the shareholders' meeting when the board of directors fails to implement the duties to convene and preside over the shareholders' meeting as prescribed in this law; (v) presenting proposals to the shareholders' meetings; (vi) initiating lawsuits against the directors and senior management according to the Company Law; and (vii) other functions and powers provided for in the articles of association.

Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Under the Guidelines for the Articles of Association of Listed Companies, the company's board of directors shall establish an audit committee to exercise the functions and powers of the supervisor as stipulated in the Company Law.

Managers and Senior Management Members

Under the Company Law, a company shall have a manager who is appointed or removed by the board of directors. The manager is accountable to the board of directors and exercises his/her functions and powers according to the articles of association or the authorisation of the board of directors. The manager attends the meetings of the board of directors.

Under the Company Law, senior management shall refer to the managers, deputy managers, financial controller, secretary to the board of directors of the listed company and other personnel as stipulated in the articles of association.

Under the Company Law, directors, supervisors and senior management members of a company are required to comply with the relevant laws, regulations and the articles of association, and bear duties of diligence and loyalty to the company. Directors, supervisors and senior management members are prohibited from: (i) embezzling the company's property or misappropriating the company's funds; (ii) depositing the company's funds into accounts under their own names or the names of other individuals; (iii) accepting bribes or any other illegal proceeds by taking advantage of their powers; (iv) accepting and possessing commissions paid by a third party for transactions conducted with the company; (v) disclosing the company's secrets without authorisation; (vi) other acts in violation of their duties of loyalty to the company.

If any director, supervisor or senior management members directly or indirectly concludes a contract or conducts a transaction with the company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or the shareholders' meeting, subject to the approval of the board of directors or the shareholders' meeting according to the articles of association. The provisions of the preceding paragraph shall apply if any close relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their close relatives, or any related parties with any other related party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the company.

Neither directors, supervisors nor senior management members may take advantage of their positions to seek any business opportunity that belongs to the company for themselves or any other person except under the following circumstances: (i) where they have reported to the board of directors or the shareholders' meeting and the matter has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the shareholders' meeting and obtain approval by a resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she serves for himself/herself or for any other person.

A director, supervisor or senior management member who contravenes any laws, administrative regulations or the articles of association in the performance of his/her duties, thus causing any loss to the company, shall be liable for the damages.

Directors shall abide by laws, administrative regulations and the articles of association, have the duties of diligence to the company, and exercise the reasonable care that shall be generally possessed by a manager for the best interests of the company when performing their duties. Directors have the following duties of diligence to the company: (i) to exercise prudently, earnestly and diligently the rights granted by the company to ensure that the Company conducts its commercial activities are in compliance with laws, administrative regulations and the requirements of economic policies of China, and that its commercial activities are within the scope stipulated in the business license; (ii) to treat all shareholders equally; (iii) to keep abreast of the company's business operation and management in a timely manner; (iv) to sign written statements confirming the regular reports of the company, and to ensure that the information disclosed by the company is true, accurate and complete; (v) to truthfully provide information and materials to the audit committee and not to obstruct the audit committee from performing its duties; (vi) other duties of diligence stipulated in laws, administrative regulations, departmental rules and the articles of association.

Derivative Action by Minority Shareholders

Under the Company Law, if directors or senior management violate laws, regulations, or the company's articles of association while performing their duties and cause damage to the company, shareholders may file a lawsuit. The shareholders who individually or collectively hold more than 1% of the company's shares for over 180 consecutive days may submit a written request to the supervisory committee to initiate proceedings in the people's court. In the event that supervisors violate laws, regulations, or the company's articles of association while performing their duties and cause damage to the company, the shareholders who individually or collectively hold more than 1% of the company's shares for over 180 consecutive days may submit a written request to the board of directors to initiate proceedings in the people's court.

Upon receipt of aforesaid written request from the shareholders, if the supervisory committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days from the date of receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by laws. The company's financial and accounting report shall be prepared in accordance with provisions of laws, administrative regulations and the regulations of the financial department of the State Council.

Under the Company Law, the company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual shareholders' meeting. A joint stock company that publicly issues shares shall announce its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits to the statutory reserve, except where the statutory reserve has reached 50% of its registered capital.

If its statutory reserve is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory reserve pursuant to the above provisions.

After allocation of the statutory reserve from after-tax profits, the company may, upon a resolution passed at the shareholders' meeting, allocate the discretionary reserve from after-tax profits.

A joint stock company shall distribute profits in proportion to the shares held by its shareholders, unless otherwise provided in the articles of association.

The premium from issuing par value shares above their nominal value, or funds from issuing no-par value shares not included in the registered capital, along with other items specified by the Ministry of Finance under the State Council for inclusion in the capital reserve, shall be classified as the company's capital reserve.

The company's reserve is utilised to cover losses, expand business operations, or convert into registered capital. When using the capital reserve to cover losses, the discretionary reserve and the statutory reserve shall be used first; if these are insufficient, the capital reserve can be used according to regulations. When the statutory reserve is converted into the registered capital, the remaining statutory reserve shall be no less than 25% of the previously registered capital.

The Company shall have no other accounting books except the statutory accounting books. Company funds shall not be kept in accounts registered under any individual's name.

Appointment and Dismissal of Accounting Firms

Under the Company Law, the engagement or dismissal of an accounting firm undertaking the company's auditing shall be determined by the shareholders' meeting, the board of directors or the supervisory committee in accordance with the articles of association. The accounting firm shall be allowed to make representations when the shareholders' meeting of the company, the board of directors or the supervisory committee votes on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false statements.

Profit Distribution

Under the Company Law, after making up any losses and making appropriation to reserves, the remaining after-tax profit may be distributed to shareholders in proportion to their respective shareholdings, unless otherwise stipulated in the articles of association.

The company shall not be entitled to any distribution of profits in respect of shares held by it.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed. Under the Company Law, the resolution of a shareholders' meeting regarding any amendment to articles of association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting.

Under the Guidelines for the Articles of Association of Listed Companies, the company shall amend articles of association in any of the following circumstances: (i) after amendments are made to the Company Law or relevant laws and administrative regulations, the articles of association run counter to the amended laws and administrative regulations; (ii) the company's conditions have changed, and such changes are not consistent with the matters recorded in the articles of association; and (iii) the shareholders' meeting has resolved to amend the articles of association.

Dissolution and Liquidation

Under the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) a resolution on dissolution is adopted by the shareholders' meeting; (iii) dissolution is required due to the merger or division of the company; (iv) the business license is revoked, or the company is ordered to be closed down or is deregistered in accordance with the law; (v) where the company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and where the issue cannot be resolved through other means, shareholders holding more than 10% of the total shareholders' voting rights of the company may request the people's court to dissolve the Company.

If any of the causes as mentioned in the preceding paragraph arises, the company shall publicise the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with items (i) and (ii) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting. Where the company is dissolved pursuant to items (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation committee shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the resolution of the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfil their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

If the liquidation committee fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation committee. The people's court shall accept such request and organise a liquidation committee to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period: (i) to liquidate the Company's property and prepare the balance sheet and the list of property; (ii) to notify creditors by sending notices or making public announcements; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigation activities on behalf of the company

The liquidation committee shall notify the company's creditors within ten days from its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation committee within 30 days from the receipt of the notice or within 45 days from the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation committee, having liquidated the company's assets and having prepared the balance sheet and the inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to the people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare the liquidation report to be submitted to the shareholders' meeting or the people's court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the Company's registration.

The members of the liquidation committee shall bear duties of loyalty and duties of diligence in performing their duties of liquidation. Any member of the liquidation committee who neglects to fulfil his/her liquidation duties and thus causes any loss to the company shall be liable for compensation, and any member of the liquidation committee who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of the company is revoked, or the company is ordered to close down or is deregistered, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Merger and Demerger

According to the Company Law, companies may merge through merger by absorption or through the establishment of new company. If it merges by absorption, the company which is absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is a merger through the establishment of new company whereby the merged companies shall be dissolved.

Overseas Listing

According to the Trial Measures for Overseas Listing, domestic enterprises shall file the application documents for overseas offering and listing with the CSRC within three working days after submitting the application documents for overseas offering and listing. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed pursuant to provisions of Paragraph 1 of Article 16 of the Trial Measures for Overseas Listing.

Suspension and Termination of Listing

According to the Securities Law of the PRC (《中華人民共和國證券法》) (the "Securities Law"), which was last amended by the SCNPC on 28 December 2019 and came into effect on 1 March 2020, where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules. If the stock exchange decides to terminate the trading of securities, it shall promptly announce the decision and file it with the securities regulatory authorities under the State Council.

According to the Trial Measures for Overseas Listing, upon the occurrence of voluntary or mandatory delisting, the issuer shall submit a report thereof to CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

SECURITIES LAW AND REGULATIONS

CSRC, a ministerial-level public institution directly under the State Council, performs a unified regulatory function, according to the relevant laws and regulations, and with the authority by the State Council, over the securities and futures market of China, maintains an orderly securities and futures market order, and ensure a legal operation of the capital market.

The Securities Law was promulgated on 29 December 1998 and came into effect on 1 July 1999 and was revised on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively, which comprehensively regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges and securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing its securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

According to the Securities Law and the Administrative Measures on Acquisition of Listed Companies (《上市公司收購管理辦法》), which was last amended by the CSRC on 27 March 2025, where the shares held by an investor (including an overseas investor) through securities transactions on a stock exchange or jointly with others through an agreement or other arrangements attain 5% of the issued voting rights shares (including A shares and H shares) of a listed company, the investor shall submit a written report to the CSRC and SZSE within three days, notify the listed company and make an announcement. Whenever the investor's shares with voting rights in the said listed company are increased or reduced by 1%, the investor shall notify the listed company on the day following such occurrence, and make an announcement.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to the Arrangements of the Supreme People's Court for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which was promulgated by the Supreme People's Court on 25 January 2024 and became effective on 29 January 2024, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court regarding civil and commercial cases, excluding certain types, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan, and many other countries. Additionally, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States or any of the other jurisdictions mentioned above may be recognised and enforced in China or Hong Kong, considering the treaties providing for the reciprocal enforcement of judgments between China and the country where the judgment was made.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC 《(中華人民共和國仲裁法》) (the "Arbitration Law") was passed by the SCNPC on 31 August 1994, came into effect on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017, respectively. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. If the parties have reached an arbitration agreement and one party files a lawsuit to the people's court, the people's court shall not accept the case, unless the arbitration agreement is invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitral tribunal if the composition of the arbitral tribunal or the arbitral proceedings are not in accordance with the statutory procedure, or where the matter to be decided is outside the scope of the arbitration agreement or where the arbitral committee is not empowered to arbitrate.

A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on 10 June 1958 pursuant to a resolution of the SCNPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognise and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement titled the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) (the "Arrangement") was established between mainland China and Hong Kong. The Arrangement was promulgated in mainland China on 24 January 2000, as a judicial interpretation by the Supreme People's Court and took effect on 1 February 2000. On 26 November 2020, the Supreme People's Court promulgated the Supplemental Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the "Supplemental Arrangement"), which amended the Arrangement. The Supplemental Arrangement took effect on 27 November 2020. Under the Arrangement and the Supplemental Arrangement, subject to certain requirements being met, arbitral awards rendered by arbitration institutions in mainland China pursuant to the Arbitration Law can be enforced in Hong Kong, and arbitral awards made in Hong Kong can similarly be enforced in mainland China.